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HARMONIZATION OF BUDGETS: UNDP, UNFPA and UNICEF

Addendum

Summary

The present addendum contains annexes V, VI and VII to the report.

Annex V: Summary of comparison of the 1996-1997 budgets of UNDP, UNFPA and UNICEF.

Annex VI: Comparison of the 1996-1997 budgets of UNDP, UNFPA and UNICEF.

Annex VII: Background.

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Annex V

SUMMARY OF COMPARISON OF THE 1996-1997 BUDGETS OF UNDP, UNFPA and UNICEF[a]

UNDP: DP/1995/51; UNFPA: DP/1995/42; UNICEF: E/ICEF/1996/AB/L.5 (Headquarters and regional offices)

1. All three organizations provide information in their budgets on the total resources administered by them, both general or regular resources and "other resources". The term "other resources" is used to denote funds other than the general/regular resources available to an organization. There is no commonly accepted term used by organizations carrying out operational activities to denote funds available to them which are in addition to "general or regular resources".

Results of harmonization
The organizations have agreed to use the terms Regular resources and Other resources. See part two, annex I - "Terminology".

2. All three organizations place their budgets in the context of their total resources. In the case of UNDP, the last four items in their "Use of resources" table represents the funds included in their biennial budget. The UNFPA Administrative and Programme Support Services budget is a line entry in their "Resource utilization" table. UNICEF places its budget in the context of its medium-term plan, although the table is not included in its budget document (see paras. 15 and 16).

Results of harmonization
The organizations have agreed on a common format for the Resource plan. See part one, paras. 7 - 16, and part three, annex III - "Resource plan".

3. All three organizations use total resources as the base against which to measure the costs in support of programmes or overhead. The approaches used by UNICEF and UNFPA appear comparable.

(a) Measurements that are classified as "management/administrative" costs

(i) The UNICEF secretariat has proposed that what it has classified as "management and administration" at headquarters be considered the overhead of the organization,
(ii) UNFPA considers Programmes I and II as mostly concerned with administrative matters and these are combined under the heading of "Administrative budget".
(iii) UNDP makes no comparable distinction and does not use the term "management and administration" in the budget document. However, it considers the total costs under the heading of core activities as "management and administration". Under this heading, UNDP includes components that UNFPA and UNICEF classify as "programme support".

(b) Measurements that are classified as "programme support":

(i) UNICEF's secretariat has proposed that the Programme Division, the Office of Emergency Programme and the Supply Division and the regional offices be classified as "programme support".

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[a] Unless otherwise specified, the references to paragraphs and annexes contained in boxes refer to the main document (DP/1997/2, E/ICEF/1997/AB/L.3)

(ii) UNFPA considers Programmes III and IV as primarily devoted to programme support and implementation, which are combined under the heading of "Programme Support Services budget".
(iii) UNDP considers the component "Programme support and development activities" (PSDA)" as programme support although some elements of PSDA relate to programme support for the United Nations system as a whole, namely: "Support to the operational activities of the United Nations", "United Nations Volunteers" (UNV); and "Inter-Agency Procurement Services Office" (IAPSO).

Results of harmonization
The organizations have agreed on a common classification of activities among Programmes, Programme support and Management and administration of the organization. See part one, paras. 9-15, and part two, annex I - "Terminology", and part three, annex III - "Resource plan".

4. With regard to the coverage of the budget, UNDP and UNFPA continue to present budgets covering both headquarters and field activities but they can be compared to UNICEF only in respect of headquarters activities since the UNICEF field office budget is not available for this transitional biennium. All budgets under review are on a biennial basis.

The organizations will present Biennial support budgets covering support activities carried out at headquarters and in the field.

5. UNDP alone includes a revision of appropriations for the current biennium in its budget in order to update the base against which new proposals can be compared. UNFPA and UNICEF do not revise appropriations for the current biennium.

Results of harmonization
UNDP will no longer present, as a norm, revised estimates for the current biennium. See part one, para. 30.

6. Information provided by UNDP and UNFPA on programmes or projects is limited to their respective resource plans. UNICEF alone presents, in its integrated budget, programme - or project - related information to the Executive Board for approval. With regard to General resources, UNICEF included programme-related information on advocacy and programme development as category 4 expenditures. A separate chapter was included covering supplementary funding proposals.

Results of harmonization
In addition to the Resource plan, a regional distribution of Programmes and Programme support will be included in the Biennial support budget. UNICEF will present Intercountry programmes, to be financed from its Regular resources and Other resources, as a separate chapter of the Biennial support budget. See part one, paras. 17 - 19.

7. The term "other support/reimbursement resources" is used to denote resources received to cover the cost of supporting programmes financed from "Other resources" plus reimbursements received in respect of services rendered. UNDP provides information on the planned use of these resources at a level of detail comparable to that which it provides for budgetary or appropriated resources. This information is provided to the Executive Board for information, not for approval, since the contractual relationship governing the receipt of these funds is between UNDP and the donor. The actual level of expenditure against these resources depends on the level of resources received. UNICEF applies the same approach as UNDP with regard to income from procurement

services. With the introduction of an integrated budget, recovery of supplementary funding ("Other resources") for headquarters and regional offices is no longer applicable. UNFPA includes as an "income item" in its budget "other support/reimbursement resources", which consist of support costs for projects under trust fund arrangements and support costs associated with procurement and other assistance to Government-executed projects.

Results of harmonization The different nature and prevailing circumstances of the three organizations necessitate different treatment for Other resources. See part one, paras. 31 - 40.

8. UNICEF alone distinguishes multiple headquarters locations and regional offices in its budget presentation. UNDP and UNFPA have regional bureaux and divisions, respectively, located in New York, which may be considered comparable to UNICEF's regional offices. These are included in the headquarters component of the respective UNDP and UNFPA budget presentations.

Results of harmonization All three organizations will identify other headquarters locations in the Biennial support budget. The functions carried out by UNDP regional bureaux and UNFPA regional divisions are similar to those carried out by UNICEF regional offices. However, as a result of the different structure of the three organizations, UNDP regional bureaux and UNFPA regional divisions are included under the headquarters component of Programme support while UNICEF regional offices are combined with its country offices under the field component of Programme support. See part one, para. 14, and part three, annex III.

9. UNDP has areas included in its biennial budget estimates that are not applicable to UNFPA and UNICEF. These are: (a) inclusion of biennial budget estimates in respect of Funds and Programmes established by the General Assembly that are administered by or associated with UNDP, and (b) activities in support of the United Nations system as a whole, namely, Support to the operational activities of the United Nations, UNV and IAPSO.

No change. See part one, footnote 1 and para. 15.

10. For all three organizations, appropriations are approved on a gross basis, with income estimates agreed to or approved separately. The subsections of the appropriation decision are identified differently although the authority of the executive heads in respect of management of the appropriations is the same. These subsections are identified as "appropriation lines" by UNDP, as "programmes" by UNFPA and as "parts" by UNICEF. In relating the subsections of the appropriations, there are two comparisons that can be made. On the one hand, UNFPA Programmes I, II and III correspond to the UNDP appropriation line for headquarters under core activities, except for some additional headquarters components under the PSDA line of UNDP. UNFPA Programme IV corresponds to the UNDP appropriation line for country offices under core activities although part of UNDP country office costs are shown under "Support to the operational activities of the United Nations" of its PSDA. This latter component includes, but is not limited to, management and operational support to the Resident Coordinator function. On the other hand, UNFPA Programmes I and II may correspond to UNICEF Part III. Pending the UNICEF presentation of its field budget, no analysis is made on the correspondence between UNFPA Programmes III and IV and UNICEF Part II.

Results of harmonization

The organizations have agreed to use the term "appropriation line". See part two, annex I - "Terminology". The organizations have also agreed on a common appropriation structure with regard to the support provided to their own Programmes. The UNDP appropriation structure includes additional appropriation lines to cover its unique responsibilities, namely, support to the United Nations system as a whole and those covering Biennial support budgets for the Funds it administers. See part one, para. 20.

11. With regard to factors affecting changes in resource requirements, both UNDP and UNFPA distinguish between volume and cost increases or decreases in tables throughout their budget estimates. UNICEF identifies these changes in the text.

Results of harmonization

The organizations have agreed on a common methodology for the preparation of budget estimates which includes a distinction between changes due to volume and those due to cost. See part one, paras. 27 - 29, and part two, annex I - "Terminology" and annex II - "Methodology".

12. The expenditure categories used by the three organizations are largely comparable except for UNICEF category 3, which is not applicable to UNDP and UNFPA, and its category 4, which denotes objects of expenditure related to "Advocacy and programme development costs", which are normally considered project costs by UNDP and UNFPA.

Results of harmonization

The organizations have agreed on common expenditure categories to be used in the Biennial support budget. See part one, para. 26 and part three, annex IV - "Expenditure categories". Expenditure estimates by UNICEF formerly included as category 4 relate to Intercountry programmes funded from regular resources. These will be included in a separate chapter in UNICEF's Biennial support budget. See para. 6 of the present addendum.

13. On post or staffing table information, UNFPA has established posts only while UNICEF reflects the total number of posts available at headquarters and regional offices regardless of the type of post. UNDP, in addition to established posts, also covers temporary posts, both budgetary (financed from appropriations) and extrabudgetary (financed from "other support/reimbursement resources"). The grade structure used by all three organizations is comparable. UNDP and UNFPA provide a breakdown of local staff, differentiating first between local field staff and headquarters General Service staff and secondly, for headquarters General Service staff, differentiating between (a) senior levels and (b) other levels and manual workers. In addition, UNFPA further breaks down local posts. All three organizations present tabular information on changes in post requirements by level and differentiate between reclassifications and establishment or abolition of post.

Results of harmonization

The organizations have agreed to a common presentation of post requirements and post categories. The three categories are International Professional category and above, National Professional category and General Service and other categories. International Professional posts will be broken down by grade level. The organizations will continue to provide information on changes in post requirements differentiating between post increases/decreases and post reclassifications. See part one, paras. 41 and 42 and part two, tables 2 and 4 and summary table III.

14. The presentation of cost estimates and post requirements by the organizations are treated on three levels:

(a) Support to the subsections of the appropriation. In the case of UNDP and UNFPA, most summary tables can be easily related to the appropriation line or programme to which they pertain. In the case of UNICEF, only one table, which gives financial estimates by organizational unit, relates to the parts of the appropriation. However, all "management and administration costs" are attributed to headquarters locations so all tables not relating to headquarters locations automatically relate to Part II of the appropriation, i.e., "Programme support". There is no post information provided by UNICEF that relates to the parts of the appropriation;

(b) Support the distinction between headquarters and field locations. Except for the UNDP PSDA line, headquarters activities are clearly distinguished from field activities by all three organizations;

(c) Information at the organizational unit level. All organizations provide summaries identifying total costs for each organizational unit at headquarters. In the case of UNDP, core and PSDA for a given unit are in separate tables under the respective headings. Only UNICEF provides a similar summary for posts. While UNDP and UNFPA have organizational unit tables that provide detailed financial and post information for each headquarters organizational unit, UNICEF provides financial information in more summary form by "major object of expenditure". Information provided for posts is at the same level as those for UNDP and UNFPA. Both UNDP and UNFPA also provide staffing information by country office. UNFPA provides cost estimates by main groups of expenditure for each country office. In the case of UNDP, total estimates by country office can be seen in annex 1 on Government local office cost contributions in the informal supplement.

Results of harmonization

The format of the agreed Biennial support budget provides that estimates consistently relate to appropriation lines, which, by their definition, differentiate between headquarters and field activities. See part one, para. 12 and part two - Budget mock-up. The organizations have further agreed to limit the information included in the budget document to summary information, with detailed information to be made available on request. See part one, para. 44.

15. With regard to the structure of the budget documents, all organizations include executive summaries, descriptions of the methodology applied in preparing their budgets, and budgetary strategies identifying significant changes from the previous biennium, separately for headquarters and for country or regional offices. Only UNFPA includes narratives for each headquarters organizational unit and one for the total field programme. UNFPA and UNICEF include draft appropriations decisions. UNDP provides the detailed organizational unit level tables in an Informal supplement.

Results of harmonization

The organizations have agreed on a common organization of their Biennial support budgets, with due regard to their unique requirements. See part one, paras. 45 - 48 and part two - Budget mock-up.

Annex VI

COMPARISON OF THE 1996-1997 BUDGETS OF UNDP, UNFPA AND UNICEF[a/]

UNDP: DP/1995/51; UNFPA: DP/1995/42; UNICEF: E/ICEF/1996/AB/L.5 (Headquarters and regional offices)

PURPOSE OF TABLE: The purpose of this table is to identify the practice of each organization in key areas relating to budget presentation and, under the comments column, to indicate the extent to which these practices are common and, where these practices are not common, to explain how they differ.

UNDP	UNFPA	UNICEF	COMMENTS
A: Financial framework			
1. Total resources context			
A standard table on "Use of UNDP resources, 1994-1997"(table VI.1 p.35), is included, covering the current biennium and the one following. The table covers all UNDP resources, i.e., regular (voluntary contributions) and "other" (mainly cost-sharing and trust funds). The last four components (PSDA, Support to operational activities of the UN, Country offices and headquarters) are covered by the biennial budget presentation. The Executive Board appropriates UNDP budgetary resources and takes note of "other support/reimbursement resources" (extrabudgetary) that	The table on "Resource Utilization for 1996-1997 as compared to 1994-1995" includes regular and multi-bilateral resources, including trust fund resources ("other resources") and follows an income/expenditure format. Amounts related to income are broken down as between regular and multi-bilateral resources but expenditure estimates are not. These are broken down as between programme and APSS. In addition, UNFPA provides a macro view of the movement of resources.	The UNICEF integrated budget is based on the 1995-1998 medium-term plan, which is a separate document approved by the Board. The table is not available in the budget document (ref. paras. 15 and 16). The UNICEF budget is prepared within the context of the medium-term plan process described below: (a) The Executive Director, shall in conformity with criteria and conditions approved by the Executive Board, propose a medium-term plan to the Executive Board for its approval, recommending the apportionment and utilization of the existing and anticipated resources of UNICEF over	All organizations provide information on the total resources administered by them, i.e., both general/regular resources and "Other" resources. Only in the case of UNFPA can one easily reconcile the amount shown in its resource plan and the amount requested for appropriation in its budget. (a) The term "Other resources" is used to denote funds other than the general/regular resources available to an organization. There is no commonly accepted term used by organizations carrying out operational activities to denote

[a/] Under " results of harmonization in the "Comments" column, all references to paragraphs and annexes refer to the main document (DP/1997/2, E/ICEF/1997/AB/L.3)

UNDP	UNFPA	UNICEF	COMMENTS
contribute towards the financing of these four components. Excluded from the amounts shown in the table are reimbursements derived from the provision of services not related to programme activities although these form part of the rest of the budget presentation. Approval of use of UNDP regular (core) resources: There are two processes through which the Executive Board formally approves the use of UNDP core resources: (a) Programme arrangements (e.g., decision 95/23); concerns UNDP actual programme/ project activities; generally spent by executing/implementing agents; (b) Biennial budget (e.g., decision 95/28); concerns the arrangements by which UNDP provides or undertakes: (i) General management and administrative support to its own activities; (ii) General management and administrative support to the operational activities of the		the plan period. The medium-term plan shall describe in sufficient detail general objectives, fund-raising, financial and programme strategies and priorities and overall capacity in terms of personnel, programme support and administrative services, to implement the activities proposed in the plan. It shall contain a financial plan, expressed in United States dollars. (b) The proposed financial plan provides, in sufficient detail, the financial projections of: (i) Estimated future resources for each year of the plan period for general resources and supplementary funding ("other resources"); (ii) Estimated yearly levels of expenditures for activities in programme cooperation, administrative and programme support services and acquisition of capital assets which estimated future resources would make	funds available to them which are in addition to "general/regular resources". (b) The term "Other support/reimbursement resources" is used to denote resources received to cover the cost of supporting programmes financed from "Other resources" plus reimbursements received in respect of services rendered. Results of harmonization The organizations have agreed to use the terms Regular resources and Other resources. See annex I - Terminology. The organizations have also agreed on a common format for the Resource plan. See paras. 7 - 16 of report and annex III - Resource plan.

UNDP	UNFPA	UNICEF	COMMENTS
United Nations in general (including, but not limited to its support to the resident coordinator function); iii) Substantive programme development activities (iv) Specific project/programme implementation activities, these include UNV , IAPSO and headquarters' support to national execution; (v) Institutional support (CGIAR and UNSO/UNEP partnership); Funds allocated through the biennial budget process are generally spent by UNDP itself.		possible; (iii) Working capital levels required for the liquidity of UNICEF, (c) The Executive Board shall, upon review of the proposed medium-term plan: (i) Endorse the programme activities described therein; (ii) Approve the financial plan contained in the medium-term plan as a framework of projections; (iii) Approve the level of programme recommendations to be prepared by the Executive Director for submission to the Board at its next session. (d) The medium-term plan shall be revised annually and submitted to the Executive Board for approval.	
2. support costs (used generically) - Overhead or administrative/programme ratio			
Not defined as such. In reference to the table on "Use of UNDP resources", UNDP highlights the share of headquarters and country office costs (ref. para. 73), that could be considered as management and	UNFPA has two approaches: (a) in para. 27, UNFPA calculates the amount of total net appropriations for the budget as a percentage of total income; (b) in para. 72, UNFPA states that Programmes I	UNICEF's Secretariat has proposed that the amount attributed to "Management and administration" at headquarters be classified as overhead and measured against total resources. (ref. para. 16).	On measuring the costs in support of programmes or overhead, all three organizations use total resources as the base against which these costs are measured. The approaches of UNICEF and UNFPA appear comparable.

UNDP	UNFPA	UNICEF	COMMENTS
administrative support directly related to UNDP total programme activities. These costs cover components that other agencies classify as programme support costs, rather than management and administrative support.	and II are mostly concerned with administrative matters while Programmes III and IV are primarily devoted to programme support and implementation. It further states that a more appropriate administrative share can be measured by computing the share of Programmes I and II to income . Table I reflects this approach: Programmes I & II are combined under the heading "Administrative budget" and Programmes III and IV are combined under the neading "Programme support services budget:.		(a) <u>Measurements that are classified as "management /administrative" costs</u>: (i) UNICEF's Secretariat has proposed that what it has classified as "management and administration" at headquarters be considered the overhead of the Organization. (ii) UNFPA considers Programmes I and II as mostly concerned with administrative matters and combines them under the heading of "Administrative budget". (iii) UNDP makes no comparable distinction and does not use the term "management and administration" in the budget document. However, it considers the total costs under the heading of core activities as "management and administration". Under this heading, UNDP

UNDP	UNFPA	UNICEF	COMMENTS
			includes components that UNFPA and UNICEF classify as "programme support"..
			(b) Measurements that are classified as "programme support":
			(i) UNICEF's Secretariat has proposed that the Programme Division, the Office of Emergency Programme and the Supply Division as well as the Regional Offices be classified as "programme support".
			(ii) UNFPA considers Programmes III and IV as primarily devoted to programme development and implementation, which are combined under the heading of "Programme Support Services budget".
			(iii) UNDP considers the line "Programme support and development activities" (PSDA) as "programme support" although

UNDP	UNFPA	UNICEF	COMMENTS
			some elements of PSDA relate to programme support for the United Nations system as a whole, namely "Support to the operational activities of the United Nations". "United Nations Volunteers" (UNV); and "Inter-Agency Procurement Services Office" (IAPSO). Results of harmonization The organizations have agreed on a common classification of activities among Programmes, Programme support and Management and administration of the organization. See paras. 9-15 of report annex I - Terminology, and annex III - Resource plan.
3. Time frame and coverage of the budget - General			
Includes, on a biennial basis: (a) For UNDP resources, administrative and programme development and support provided by headquarters and country offices. (b) Budgets for UNCDF, UNRFNRE and UNFSTD, UNSO and UNIFEM financed from	Includes, on a biennial basis, administrative and programme support provided by headquarters and country offices.	Includes, on a biennial basis, programme assistance, management and administration and programme support provided by headquarters and regional offices only (Draft res. 1 and 2). Also includes, on a biennial basis, an additional allocation for	While the budgets of UNDP and UNFPA can be compared to each other, they can be compared to the UNICEF budget only in respect of headquarters activities. Neither UNDP nor UNFPA have regional offices comparable to those of UNICEF. The UNICEF

UNDP	UNFPA	UNICEF	COMMENTS
their respective resources;. (c) "Other support/reimbursement resources" related to (a) and (b) above.		the administrative and programme support budget for country offices (Draft res. 5). Operative para. (c) of this draft resolution includes the total amount approved for the administrative and programme support budget applicable to county offices. Integrated budgets related to country offices will be presented in 1997 (ref. para. 8). Also as a transitional measure for 1996-1997, the budget includes (a) a general resources programme budget for allocation to country offices for specific purposes (Draft res. 3) and (b) supplementary-funded programme budget (Draft res. 4).	budget for field offices is not available for this transitional biennium. Results of harmonization The organizations will present Biennial support budgets covering support activities carried out at headquarters and in the field. The functions carried out by UNDP regional bureaux and UNFPA regional divisions are similar to those carried out by UNICEF's regional offices. See para. 14 of report.
4. Revised appropriations for the current biennium			
Included.	None.	None.	Cost increases related to the current biennium cannot be differentiated from those estimated for the proposed biennium in the case of UNFPA and UNICEF. Results of harmonization UNDP will no longer present, as a norm, revised estimates for the current biennium. See para. 30 of report.

UNDP	UNFPA	UNICEF	COMMENTS
5. Information related to project/programme activities - Regular/General resources			
Programme or project related information is limited to the "Use of resources" plan (refer to item 1 above) and a list of project posts at headquarters.	Programme information is limited to the "Resource utilization" plan (refer to item 1 above).	Part I of the headquarters and regional offices budget relates to "Programme assistance". Also included on a transitional basis, as indicated under item 3 above, is a general resources programme budget for allocation to field offices mainly for emergency programmes. In the integrated budget for headquarters and regional offices, programme-related information on advocacy and programme development costs is shown in table V.3.	UNDP and UNFPA present programme activities for approval separately from the biennial budget. UNICEF currently also presents country programmes separately from the biennial budget. In the context of the biennial budget, UNICEF includes "Programme assistance" as part I of its appropriation; "advocacy and programme development costs" are included in part II of its appropriation , "Programme support". (In the context of presenting an integrated budget for 1996-1997, the Global Funds Programme was merged with the Administrative and programme support budget to form the headquarters and regional Offices budget.) Results of harmonization All three organizations will continue to present their Regular resource country programmes for approval separately from the Biennial support budget. UNICEF Country programme recommendation includes activities

UNDP	UNFPA	UNICEF	COMMENTS
			targeted for Other resource funding. With regard to information on Programmes; a regional distribution of Programmes and Programme support will be included in the Biennial support budget. UNICEF will present Intercountry programmes, to be financed from its Regular resources and Other resources, as a separate chapter of the Biennial support budget. See paras. 17-19 of report and budget mock-up.
6. Information related to project/programme activities - "Other resources"			
Programme or project-related information is limited to the "Use of resources" plan (refer to item 1 above).	Programme information is limited to the "Resource utilization" plan (refer to item 1 above).	As a transitional measure, supplementary funds ("Other resources"), previously included under global funds, are covered in chapter VII. They are in addition to general resources and are used for purposes restricted by the donor.	See definition of "other resources" under item 1 above. UNDP and UNFPA do not present "other resource" programme activities for approval by the Executive Board. As a transitional measure, UNICEF has presented its supplementary funds budget, previously included under global funds, in its 1996-1997 headquarters and regional offices budget. Results of harmonization See item 5 above.

UNDP	UNFPA	UNICEF	COMMENTS
7. "Other support/reimbursement resources"			
Programme activities can be financed from "other resources". To cover the incremental costs relating to general management and administrative support, UNDP charges a support fee. All those costs related to programme activities are pooled in one account, against which expenditures are charged. In addition, UNDP provides services to other United Nations funds and organizations that do not relate to UNDP programme activities. UNDP seeks and receives reimbursement for providing such services. These reimbursements are also pooled in a separate account against which expenditures are charged. Both types of resources are treated and presented as extrabudgetary ("other support/reimbursement resources") in the UNDP biennial budget.	Projects financed under trust fund arrangements ("other resources") are charged support costs. In addition, UNFPA is reimbursed for the costs associated with support and procurement services provided to government-executed projects. These "other support/reimbursement resources" are treated as income to the budget.	UNICEF has three sources of "other support/administrative resources". It administers resources under supplementary funding, for which a recovery charge is levied. In addition, support costs are also charged for special accounts such as funds-in-trust arrangements and procurement services rendered by UNICEF. As from 1996-1997, posts previously financed from "supplementary funding-recovery" have been merged with those previously designated as "Administrative and programme support budget" and "Global funds", all of which are now funded from general resources. General operating expenses financed from "supplementary funding-recovery" are related to field offices and are therefore outside the scope of this budget. Resources derived from procurement services in relation to the Supply Division are presented in the budget (table V.3).	UNDP provides information on the planned use of "other support/reimbursement resources", at a level of detail comparable to that which it provides for budgetary or appropriated resources. This information is provided to the Executive Board for information, not for approval, since the contractual relationship governing the receipt of these funds is between UNDP and the donor. The actual level of "other support/reimbursement resources" used depends on the level of these resources received. UNICEF applies the same approach as UNDP with regard to income from procurement services. With the introduction of an integrated budget, recovery of supplementary funding for headquarters and regional offices is no longer applicable. UNFPA includes its "other support/reimbursement resources" as income items in its budget. Results of harmonization The different

UNDP	UNFPA	UNICEF	COMMENTS
			nature and prevailing circumstances of the three organizations necessitate different treatment for Other resources. See paras. 31 - 40 of report.
8. Multiple headquarters locations			
Although UNDP has offices in Copenhagen, Geneva, Tokyo and Washington, they are not identified separately but subsumed under the designation "headquarters".	Costs related to the UNFPA office in Geneva is combined with headquarters (ref. table 4).	The following are classified as headquarters locations: New York, Sydney, Tokyo, Geneva and Copenhagen. They are treated separately in the budget.	Only UNICEF provides separate estimates relating to each headquarters location. Results of harmonization All three organizations will identify other headquarters locations in the Biennial support budget.
9. Regional offices			
None. The regional programme bureaux are located in New York and included in the headquarters component of the biennial budget presentation.	None. The regional divisions are located in New York and included in the headquarters component of the APSS budget.	UNICEF has 6 regional offices and is proposing an additional regional office.	None. Results of harmonization The functions carried out by UNDP regional bureaux and UNFPA regional divisions are similar to those carried out by UNICEF regional offices. However, as a result of the different structure of the three organizations, UNDP regional bureaux and UNFPA regional divisions are included under the headquarters component of Programme support while UNICEF regional offices are combined with its country offices under the field

UNDP	UNFPA	UNICEF	COMMENTS
			component of Programme support. See para. 14 of report and annex III.
10. Special purpose appropriations			
UNDP groups special purpose appropriations under the heading "Programme support and development activities (PSDA)" (see item 13 below). The activities under this component are not considered as management and administrative support directly related to UNDP programme activities.	None.	None.	As stated under item 2 above, there may be elements of the UNDP PSDA line that are comparable to elements that UNFPA includes under its headquarters/field activities. Headquarters and field components of the UNDP PSDA line are not separately identified in the appropriation structure. Results of harmonization Activities formerly included by UNDP under PSDA have been redefined. See para. 15 of report and annex III - Resource plan (Programmes and Programme support).
11. Separate Funds and Programmes established by the General Assembly			
UNCDF, UNRFNRE and UNFSTD, UNSO and UNIFEM, are Funds/Programmes established by the General Assembly that are administered by or associated with UNDP and for which the UNDP submits budget estimates within the same document. (See item 3 above and 13 below.)	Not applicable.	Not applicable.	None. No change. See footnote 1 of report.

UNDP	UNFPA	UNICEF	COMMENTS
12. Factors affecting changes in resource requirements			
Changes in resource requirements are presented and classified as either "volume" or "cost". "Cost" is further broken down as among "Various" (representing, in the main, mandatory staff cost increases), "currency" and "inflation" (tables IV. 1 and VI. 2).	Changes in resource requirements are presented and classified as either "volume" or "cost". Supplementary information is provided in the text.	An identification of "volume" and "cost" factors is included in the text (paras. 18 and 19).	In the case of UNDP and UNFPA , the distinction between volume and cost increases/decreases (by category of expenditure) are standard in their basic tables. Results of harmonization The organizations have agreed on a common methodology for the preparation of budget estimates which includes a distinction between changes due to volume and those due to cost. See paras. 27-29, of report, annex I - Terminology and annex II - Methodology.
B: PRIMARY STRUCTURE OF BUDGET INFORMATION			
13. Appropriation decision: Appropriation line / Programme / Part			
Designated as "Appropriation lines". Two major groups, one concerning UNDP resources, one concerning the funds, i.e., Funds established by the General Assembly that are administered by or associated with UNDP but have their own resources. The first group (UNDP resources) has two major components, i.e., one relating to management and administrative support to UNDP's own programme activities (core activities) and one	Designated as "Programmes". (Draft decision: Part IV C). Gross appropriations and estimated income are separately identified: I. Executive direction and management II. Administration, information and external relations services and programme co-ordination III. Programme planning, appraisal and monitoring IV. Field programme support	Draft resolution 1: Headquarters and regional offices only. Designated as "Parts". I Programme assistance II Programme support III Management and administration Draft resolution 2: Recovery from packing and assembly activities (Ref. Draft resolution 1). Draft resolution 3: Total. Breakdown provided for information.	Transitional for 1996-1997

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UNDP	UNFPA	UNICEF	COMMENTS
relating to programme support and development activities. Gross appropriations and estimated income are separately identified. A. <u>UNDP core resources</u> - Headquarters - Country offices B. <u>Programme support and development activities</u> - Programme development activities - Support to the operational activities of the United Nations - Project/programme implementation services - DSS - IAPSO - UNV - National execution - Programme support C. <u>Resources of Funds</u> - UNCDF - UNFSTD and UNRFNRE - UNSO - UNIFEM		<u>Draft resolution 4</u>: Subdivisions do not have a specific designation; separate amounts are approved, where applicable, for headquarters, region and field under the following headings: Regional offices; SAFLAC; Health; Nutrition; Water supply and sanitation; Education; and Intersectoral. <u>Draft resolution 5</u>: Total additional allocation for the administrative and support budget for country offices.	For all organizations, appropriations are approved on a gross basis, with income estimates agreed to or approved separately: (a) On the one hand, UNFPA Programmes I, II and III correspond to the UNDP appropriation line for headquarters under core activities, except for some additional headquarters components under the UNDP PSDA line. The UNFPA Programme IV corresponds to the UNDP appropriation line for country offices under core activities although part of UNDP country office costs are shown under "Support to the operational activities of the United Nations" of its PSDA. This latter component includes, but is not limited to, management and operational support to the resident coordinator function; (b) On the other hand, UNFPA Programmes I and II may correspond to UNICEF Part III. Pending the UNICEF presentation of its field budget, no comparison is made on the correspondence of UNFPA Programmes III and IV to UNICEF Part II. UNDP has a separate appropriation

UNDP	UNFPA	UNICEF	COMMENTS
			for the revised estimates related to the current biennium (see item 4 above). Results of harmonization The organizations have agreed to use the term "appropriation line". See annex I - Terminology. The organizations have also agreed on a common appropriation structure with regard to the support provided to their own Programmes. The UNDP appropriation structure includes additional appropriation lines to cover its unique responsibilities, namely, support to the United Nations system as a whole and those covering Biennial support budgets for the Funds it administers. See paras. 20-22 of the report.
14. Cost estimates: Basic table - Column headings			
(1) 1994-1995 Approved	(1) 1994-1995 approved	(1) Approved 1994-1995 Admin. and Prog. sup. budget (2) Approved 1994-1995 Global funds (3) Approved 1994-1995 Subtotal [of (1) & (2)] (4) 1994-1995 estimated recovery (5) Total 1994-1995	Transitional for 1996-1997 Refer to comments under

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UNDP	UNFPA	UNICEF	COMMENTS
appropriations (2) 1994-1995 Cost increase/(decrease) (3) 1994-1995 Revised estimates (4) 1996-1997 Estimated additional require.: Volume increase/(decrease) (5)1996-1997 Estimated additional require.: Cost increase/(decrease) (6)1996-1997 Estimated additional require.: Total increase/(decrease) (7) Total 1996-1997 estimates	appropriations (2) 1996-1997 estimates Volume increase/(decrease) (3) 1996-1997 estimates Cost increase/(decrease) (4) 1996-1997 estimates Total increase/(decrease) (5) 1996-1997 estimates Total estimates	(6) Proposed 1996-1997 (7) Variance: Proposed versus. total 1994-1995 increase (decrease) - Amount (8) Variance: Proposed versus total 1994-1995 Increase (Decrease) - Percentage	items 4 and 12 above. UNDP (1), UNFPA (1) and UNICEF (5) correspond to each other. UNDP (2) + (5) correspond to UNFPA (3). UNDP (4) corresponds to UNFPA (2), (although at different prices). UNDP (6), UNFPA (5) and UNICEF (7) correspond to each other. UNDP (7), UNFPA (5) and UNICEF (6) correspond to each other. Results of harmonization The organizations have agreed on a common presentation for cost estimates. See budget mock-up, in particular tables 1, I, II, and IV.
15. Cost estimates: Expenditure categories			
Annex II table 5 (items within categories are not necessarily in the order presented) Salaries and wages Established posts Temporary posts Temporary assistance	Tables 4 and 5 (items within categories are not necessarily in the order presented) Salaries and wages Established posts Temporary assistance	Annex III (subcategories and items within them are not necessarily in the order presented) Category 1: Staff costs - International staff costs/local staff costs(reported separately in annex III) Established posts Intl. volunteers (International staff	General 1. Whereas UNDP and UNFPA have two levels of expenditure categorization, the detail and one summary level, UNICEF has three levels - one above the summary level of UNDP and UNFPA. The name given to these levels varies. (Under the heading "Major object of expenditure" in annex IV, UNICEF selects key groups that do not correspond to any of the three hierarchical

UNDP	UNFPA	UNICEF	COMMENTS
Consultants Overtime <u>Common staff costs</u> Staff allowances Pensions and medical Educational grant and travel Home leave Reassignment and travel Appointment, transfer and separation Security Other common staff costs, including reimbursement of taxes Training	Consultants Overtime <u>Common staff costs</u> Dependency allowance Assignment allowance Representation allowance Contribution - pension Contribution - medical Educational grant Home leave Travel on appointment, transfer and separation Reimbursement of income tax Other common staff costs <u>Training</u> Staff training EDP training	costs only) Dependency allowance and education grant Rental subsidies Mobility and hardship allowance Contributions, pension fund Medical insurance (included with dependency allowance) Travel on home leave Travel, removal and assignment Separation and repatriation Reimbursement of income taxes Compensatory payments Staff welfare (Local staff costs only) - <u>Staff training</u> - <u>Temporary assistance</u> Temporary assistance - Professionals Temporary assistance - General Service Temporary assistance - ancillary Temporary assistance - national consultants - <u>Overtime</u> <u>Category 2: General operating costs</u>	levels.) For UNDP, the detail is called "category of expenditure" in annex II, table 5, and "object of expenditure" in the organizational unit tables in the informal supplement. The summary level is called "Major category of expenditure". UNFPA calls both levels "object of expenditure". UNICEF calls the highest level of aggregation "Category" but does not name the other two levels in the budget document tables. 2. In the organizational unit tables in the informal supplement, UNDP uses the detail level. In its organizational unit tables, UNFPA uses the summary level for all groups except salaries and wages, where the detail level is used. UNICEF uses the category and sub-category level in basic tables. The detail appears only in annex III. <u>Staff related costs:</u> UNICEF Category 1 is comparable to UNDP expenditures under "salaries and wages" plus "common staff costs" and to UNFPA expenditures under the same headings as UNDP, plus training.

UNDP	UNFPA	UNICEF	COMMENTS
Travel on official business Travel to official meetings Other staff travel	Travel on official business Travel of staff	- Travel on official business Internal travel External travel	UNDP includes training as part of "common staff costs". UNICEF includes costs related to "international volunteers" which are considered project costs by UNDP and UNFPA. ("Temporary assistance" and "overtime" in the UNICEF column are shown last to maintain the integrity of the expenditure items that UNICEF classifies under international and local staff costs.)
Contractual services Information contracts, including printing and binding Translation Systems development contracts	Other general expenses Publications External printing Contractual translation System development contracts	- Information Production costs - publications Production costs - audio-visual Other information support cost	
General operating expenses Rental and maintenance of premises	Rental and maintenance of premises Remodeling and refurbishing	- Rental and maintenance of premises Rental of premises Insurance of premises Utilities and maintenance of premises	General operating expenses: UNICEF Category 2 is comparable to (a) UNFPA expenditures under "Other general expenses" plus "permanent equipment" and "Reimbursement and (b) to UNDP expenditures under similar headings. However, UNDP further breaks down the UNFPA "Other general expenses" among "Contractual services", "General operating expenses" and "Supplies and materials". The sub-headings under UNDP and UNICEF "travel on official business" are not comparable i.e. there is a cross classification.
Utilities			
Rental and maintenance of furniture, equipment and supplies	Rental and maintenance of office equipment	- Rental and maintenance of furniture, equipment and vehicles Office equipment Transportation equipment Insurance for equipment and vehicles	
Rental and maintenance of computer equipment	EDP services	Computer equipment and services	
Communications	Communications	- Telefax and other communications Freight Telephone and other voice communications Telex/facsimile and other text	

UNDP	UNFPA	UNICEF	COMMENTS
Hospitality Miscellaneous services	Hospitality	- Hospitality	
Supplies and materials Stationary and office supplies EDP supplies	Office supplies and services EDP supplies Library books and periodicals	- Office supplies and services Office supplies and printed forms Computer supplies Software development Miscellaneous supplies and services	
Acquisition of furniture and equipment Office furniture and equipment Vehicles	Permanent equipment Office furniture, equipment and vehicles	- Acquisition of furniture and equipment Furniture/permanent equipment Transportation equipment	
Microcomputers hardware/software Security equipment	Computer hardware/software	Computer equipment and services Warehouse equipment (Supply division)	The UNICEF item for "Warehouse equipment (Supply Division)" has no counterpart under UNDP or UNFPA.
Reimbursements UNDP jointly funded activities Contributions to joint activities UNDP reimbursement to the United Nations Standing Committee for Programme Matters	Reimbursement Jointly financed bodies of the United Nations United Nations External audit UNDP	- UN reimbursement Joint Inspection Unit Services External audit	Not applicable to UNDP or UNFPA (Pkg. and Assembly)
		Category 3: Packing and assembly costs Contract labour Packing materials	Under the integrated budget for headquarters and regional offices of UNICEF. objects of expenditure related to advocacy and programme development costs are presented as a separate category. These types of expenditure items are normally "project" costs in UNDP and UNFPA, except that UNDP's "programme support" component under
		Category 4: Advocacy and Programme Development costs - Cash and supply assistance - Workshops and conferences	

UNDP	UNFPA	UNICEF	COMMENTS
		Training of government staff/NGO Meetings and conferences - <u>Programme materials, publications and development</u> Audio-visual Publications Information support costs - <u>Co-funding of joint programme activities</u> With other UN agencies With NGO's With other organizations - <u>Research and studies</u> Research contracts Miscellaneous	PSDA covers its contributions to CGIAR and UNDP-UNSO/UNEP partnership which may be similar to UNICEF's "Co-funding of joint programme activities". Results of harmonization The organizations have agreed on common expenditure categories to be used in the Biennial support budget. See para. 26 of the report and annex IV - Expenditure categories. Expenditure estimates by UNICEF formerly included as Category 4 relate to Intercountry programmes funded from Regular resources. These will be included in a separate chapter in UNICEF's Biennial support budget. See para. 19 of the report
16. Post/staffing tables: Basic table - Column headings			
These column headings are used in the organizational unit tables included in the UNDP informal supplement and are comparable to information provided in summary form in annex II table 9.		Same column headings as for cost estimates: (1) Approved 1994-1995 Admin. and programme support budget (2) Approved 1994-1995 Global funds (3) Approved 1994-1995 Subtotal [of (1) and (2)] (4) 1994-1995 Estimated recovery	Transitional for 1996-1997 Refer to comments under item 7 above. Only UNDP uses the concept of temporary budgetary posts (i.e., posts financed from appropriations as distinct from posts

UNDP	UNFPA	UNICEF	COMMENTS
(1) Established posts - 1994-1995 (2) Established posts - 1996-1997 (3) Temporary posts: Budgetary 1994-1995 (4) Temporary posts: Budgetary 1996-1997 (5) Temporary posts: Extrabudgetary 1994- 1995 (6) Temporary posts: Extrabudgetary 1996- 1997 (7) Total - 1994-1995 (8) Total - 1996-1997	(1) 1994-1995 Established posts (2) Proposed reclassification (3) 1996-1997 Proposed new posts (4) Total	(5) Total 1994-1995 (6) Proposed 1996-1997 (7) Variance: Proposed versus total 1994-1995 Increase (decrease) versus - Amount (8) Variance: Proposed versus total 1994-1995 Increase (decrease) - Percentage (Note: In table V.3, UNICEF differentiates between posts financed from the integrated budget and those financed from procurement services income.)	financed from "other support/reimbursement resources"). All organizations differentiate between reclassifications and proposed changes in the number of posts in their tables relating to staffing/post changes (see item 26 below). UNDP (1), UNFPA (1) and UNICEF (5) correspond to each other. UNDP (2), UNFPA (4) and UNICEF (6) correspond to each other. Results of harmonization The organizations have agreed to a common presentation of post requirements and post categories. The three categories are International Professional category and above, National Professional category and General Service and other categories. International professional posts will be broken down by grade level. The organizations will continue to provide information on changes in post requirements differentiating between post increases/decreases and post reclassifications. See paras. 41-42 of the

UNDP	UNFPA	UNICEF	COMMENTS
			report and budget mock-up, Tables 2, 4 and III.
17. Post/staffing tables: Grade structure			
International Professional and above categories: Administrator * Associate Administrator * Assistant Administrator D-2 D-1 P-5 P-4 P-3 P-1/2 * included under Asst. Admin. in table 9 Local staff categories: (used for field locations only) National Officers Local Staff General Service categories: (used for headquarters locations only) Senior level Other level Manual	Professional category and above: USG ASG D-2 D-1 P-5 P-4 P-3 P-1/P-2 Field national staff category: (used for field locations only) National Officer Local staff: National programme assist. National admin./finance assist. National support & clerical staff Other (drivers & messengers) General Service categories: (used for headquarters locations only) Principal levels Other levels	International Professional: USG ASG D-2/L7 D-1/L6 P-5/L5 P-4/L4 P-3/L3 P1-2/L1-2 National Professional General Service	Information provided for international and national Professionals is the same for all three organizations. Both UNDP and UNFPA break down General Service between principal/senior levels and other levels and differentiate these from local staff. In addition, UNFPA has a detailed breakdown for local staff. UNICEF combines all these under the heading General Service. Results of harmonization See item 16 above.

UNDP	UNFPA	UNICEF	COMMENTS
C: ORGANIZATION OF DOCUMENTATION			
18. Official documentation			
Only summary information is contained in the official budget document. Details are provided in an informal supplement i.e., at the organizational unit level for headquarters and at the regional and country office level for the field. The informal supplement consists of tables only. Any significant unit-level changes or adjustments requiring explanation or justification are discussed in the official document.	All information is contained in the official document.	All information is contained in the official document.	None. **Results of harmonization** **All information will be contained in the proposed Biennial support budget.**
19. Structure of the document (Main headings or chapters)			
I. Overview: Includes executive summary, financial table that forms the basis for the appropriations decision, and graphs showing composition of UNDP core and PSDA budgets. II. Presentation III. Methodology IV. Revised budget estimates for the 1994-95 biennium: Resources of UNDP : Includes, inter-alia, description of adjustments, realignments and a table showing detailed cost breakdown by type of proposed change. Information related to core	I. Executive summary II. Budgetary strategy: Includes, inter alia, table on "Resource utilization". III. Proposals for the 1996-1997 biennium: Includes, inter alia, a table showing proposed staffing changes, separately for headquarters and country offices. IV. The 1996-1997 biennial budget: Includes, inter alia, a section on methodology and presentation, the draft appropriations decision, summary tables, headquarters organizational unit	I. Overview: Includes, inter alia, executive summary and summary tables for headquarters and regional offices. II. Integration of administrative and programme support budgets for headquarters and regional offices: Includes description of the changes relating to the presentation of an integrated budget and table in support of proposed gross appropriations (Draft Res. 1). III. Draft resolutions for Executive Board approval. IV. Methodology: Brief	All organizations include executive summaries, descriptions of the methodology applied in preparing their budgets, and budgetary strategies identifying significant changes from the previous biennium, separately for headquarters and country/regional offices. Only UNFPA includes narratives for each headquarters organizational unit and one for the total field programme. UNFPA and UNICEF include draft appropriations decisions. UNDP provides the detailed organizational unit level tables in an

UNDP	UNFPA	UNICEF	COMMENTS
activities is provided separately from that covering PSDA (see item 4 above). V. Revised budget estimates for the 1994-1995 biennium: Resources of Funds (refer items 4 and 11 above). VI. Budget estimates for the 1996-1997 biennium: resources of UNDP: This chapter includes three sections: A - General; B - Core activities; and C - PSDA. Section A includes, inter alia, the table on "Use of UNDP resources". Section B provides information separately for(a) headquarters units other that regional bureaux , including a table summarizing staff changes for all headquarters units, and (b) headquarters regional bureaux and country offices, including a table summarizing related staff changes and a separate table covering country offices only. This section also includes a table, similar to that for 1994-95, showing detailed cost breakdown by type of proposed change. Section C deals with PSDA and also includes a table summarizing staff changes. VII. Budget estimates	tables and narratives, including one for the total field programme, and country office estimates and staffing.	statements on budget review, volume and cost adjustments. V. Proposed budget for the 1996-1997 biennium for headquarters and regional offices: Includes, inter alia, reference to medium-term plan, overhead ratio, and identification of volume and cost adjustments. Headquarters and field sections each include a table summarizing post changes. Also included is a table summarizing costs by organizational unit and tables providing estimates for each regional office. VI. New liaison office for the region of Central and Eastern Europe, the Commonwealth of Independent States and the Baltic States: Proposals related to Draft Res. 5 (refer item 3 above). VII. Supplementary funding proposals for headquarters and regional offices: Proposals related to Draft Res. 4. Annexes	informal supplement. Results of harmonization The organizations have agreed on a common organization of their Biennial support budgets, with due regard to their unique requirements. See paras. 45 - 48 of the report and budget mock-up.

UNDP	UNFPA	UNICEF	COMMENTS
for the 1996-1997 biennium: Resources of funds (see item 11 above). VIII. Trust funds (Non recurrent) Annex I: Methodology - Includes description of types of proposed changes. (see item 12 above). Annex II Summary tables Informal supplementary tables: Includes, inter alia, basic format tables, separately for core activities and PSDA, for each headquarters organizational unit and at the regional level for the field (cost estimates and staffing table. No narrative) and individual country office staffing by functional title.			
20. General table structure			
For cost estimates, basic table column headings are prevalent (official document plus informal supplement). Most summaries of cost estimates vary according to the primary purpose of the table. Information on posts is primarily by level except that details of country office staffing are by functional title.	The basic table format is used for almost all tables. Information on country office staffing is by functional title.	The basic table format is used for most summaries and details for headquarters(NY) and each region. Other tables vary according to the primary purpose of the table.	UNDP and UNFPA use the same columnar headings in their basic table format for financial estimates. Their staffing table formats differ as UNDP includes posts designated "temporary budgetary "(financed from appropriations) and "temporary extrabudgetary" (financed from "other support/reimbursement resources"). Results of harmonization See item 19 above.

UNDP	UNFPA	UNICEF	COMMENTS
D: CONTENT OF BUDGET			
21. Cost estimates and post requirements by appropriation line/programme/part			
Table I: Basic table format: for cost estimates and annex II table 9 for staffing requirements. In addition, annex II tables 3, 4 and 6 provide information by appropriation line.	Basic table format: tables 2A and B. In addition, since UNFPA appropriation programmes are strictly linked to organizational units, all detail tables automatically link to an appropriation programme.	Cost estimates: table I.5	In the case of UNDP and UNFPA, most summary tables can be easily related to the appropriation line/programme to which they pertain. In the case of UNICEF, only one table (I.5), which gives financial estimates by organizational unit, relates to the parts of the appropriation. Programme assistance, which is transitional for 1996-1997, is included but not so identified. However, all "management and administration costs" are attributed to headquarters locations so all tables not related to headquarters locations automatically relate to part II of the appropriation i.e. ,"Programme support". There is no post information provided by UNICEF that relates to the parts of the appropriation. Results of harmonization The format of the agreed Biennial support budget provides that estimates consistently relate to appropriation lines, which, by their definition, differentiate between headquarters and

UNDP	UNFPA	UNICEF	COMMENTS
			field activities. See para. 12 of the report and Budget mock-up.
22. Cost estimates and post requirements: Headquarters vs. Field			
UNDP appropriation lines under core activities distinguish headquarters from field, thus all tables providing information by appropriation line automatically distinguish between headquarters and field costs. Cost estimates for UNDP PSDA activities are broken down by organizational unit in annex II table 3. Related post information is available under the organizational unit tables in the PSDA section of the informal supplement.	Except for table 3 (summary at the organizational level by expenditure category) all UNFPA tables support the distinction between headquarters and field, either through the appropriation programme structure (programmes I through III relate to headquarters and programme IV to the field) or the tables pertain to specific organizational units.	Except for summaries combining headquarters and regional offices, all tables support the distinction between headquarters locations and regional offices.	Except for UNDP's PSDA activities, headquarters activities are clearly distinguished from field activities by all three organizations. Results of harmonization See item 21 above.
23. Cost estimates and post requirements by organizational unit			
Summary of cost estimates, basic format, by Organizational Unit within appropriation line, with country offices summarized by region (table 3); Cost estimates and staffing tables, basic format, for each headquarters organizational unit and summaries by region for country offices available in the Informal supplement. Staffing by country office also available in Informal supplement. Summary of extrabudgetary cost	Summary of cost estimates, basic format, by organizational unit within appropriation programme - total for all country offices (table 2); cost estimates and staffing tables, basic format, for each headquarters organizational unit, and a summary of all country offices (tables 8 -19). Cost estimate and post requirements by country office (tables 20 and 21)	Summary of cost estimates by organizational unit in basic format (table I.4), by appropriation part (table I.5), by categories (of expenditure) (table V.5), and by major object of expenditure (annex IV). Post requirements are provided in Annex V. Cost estimates and post requirements, in basic format, are provided for each regional office (tables V.6 - V.12)	All organizations provide summaries identifying total costs for each organizational unit at headquarters. In the case of UNDP, core and PSDA for a given unit are in separate tables under the respective headings and details are reflected in separate organizational unit tables in the informal supplement. Only UNICEF provides a similar summary for post information. Both UNDP and UNFPA provide detailed financial and post information, in

UNDP	UNFPA	UNICEF	COMMENTS
estimates (estimates related to "other support/reimbursement resources") by organizational unit for each extrabudgetary source (table 7).			basic format, for each headquarters organizational unit. UNICEF provides cost information by "major object of expenditure" (refer item 15 above) and organizational unit In annex IV. The detailed post information by organizational unit is provided in annex V. Both UNDP and UNFPA provide staffing information by country office. UNFPA provides cost estimates by main groups of expenditure for each country office In the case of UNDP, total estimates by country office can be seen in annex 1 on Government local office cost contributions in the informal supplement. Results of harmonization The organizations have agreed to limit the information included in the budget document to summary information, with detailed information to be made available on request. See para. 44 of the report.
24. Cost estimates by expenditure category			
Summary of cost estimates, basic format, by major category of expenditure within	Summaries of cost estimates, basic format, by main object of expenditure for the	Summary of total estimates for 1996-1997 by category of expenditure (tables I.5	Refer to comparison of expenditure categories (Item 15 above). UNDP identifies the level of

UNDP	UNFPA	UNICEF	COMMENTS
appropriation line (annex II, tables 4(a) and (b) and for core activities by object of expenditure category (annex II, table 5). Summary of extrabudgetary cost estimates (estimates related to "other support/reimbursement resources") by major category of expenditure (annex II, table 8). Cost estimates for organizational units are by object of expenditure.	organization as a whole and, in greater detail, separately for headquarters and country offices (tables 2 - 5). Cost estimates for organizational units summarize objects of expenditure under main headings.	and V.5), "Major object of expenditure", annex IV and detailed object within category (annex III)	aggregation of expenditure categories: "object of expenditure" (organizational unit tables) / "object of expenditure category" (annex II , table 5), which are at a detail level, and "major category of expenditure" (annex II, tables 4(a) and (b) and table 8), which are at summary level. UNFPA uses the designation "object of expenditure" for all levels of aggregation. UNICEF uses the term "category of expenditure" for the higher level of aggregation used in its basic tables and does not use a designation **per se** for the detailed level provided in annex III. Results of harmonization See item 15 above.
25. EDP requirements			
By appropriation line and major category of expenditure [table 6(a) and (b)].	Basic table column headings, by object of expenditure (table 6A) and intended use by object of expenditure, grouped separately for headquarters and field (table 6B).	Treated in text.	None. Results of harmonization The organizations have agreed to a common format for estimates related to EDP requirements. See para. 43 of the report and budget mock-up, table 5.
26. Summary of post/staffing changes			
Provided separately for core activities - headquarters by level and	UNFPA basic staffing table includes .separate columns for proposed	Provided separately for headquarters by level and organizational unit	All organizations provide information, by grade level, on proposed

UNDP	UNFPA	UNICEF	COMMENTS
organizational unit (table VI. 3), - country offices by level and region (table VI. 6) and PSDA by level and organizational unit (table VI. 7). All tables differentiate between post increases/decreases and reclassifications.	reclassifications and proposed new posts (establishment or abolition). table 3B provides a summary for the organization as a whole and tables 4 and 7 summarize headquarters and field. In addition, there is a summary of staff changes in a table included under chapter III - Proposals for the 1996-1997 biennium.	(table V.1) and for regional offices by level and office (table V.4). Both tables differentiate between post increases/decreases and reclassifications.	reclassifications and changes to the approved number of posts. At the organizational unit level: (a) UNDP shows the information in separate tables for core (headquarters), core (country offices) and PSDA; (b) UNFPA provides the information in individual organizational unit tables and UNICEF provides the information in table V.1. Summaries by appropriation level are: (a) provided by UNDP (as above); (b) not provided in comparable form by UNFPA although total changes in posts by appropriation programme can be derived from table 2 B, and (c) not provided by UNICEF. Summaries at the headquarters/field level are provided by UNFPA (tables 4B and 5B) and UNICEF (table V.1) and can be derived from the above-mentioned UNDP tables. **Results of harmonization** The organizations have agreed on a common format for changes in regular resource post requirements. See budget mock-up, table 4.
27. Income to the budget			
Income to the budget is limited to the amount estimated to be received	Income includes: (a) Support cost for Government-executed	Income to the headquarters and regional offices budget is limited	Both UNFPA and UNICEF include as income support cost recovery from their

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UNDP	UNFPA	UNICEF	COMMENTS
in cash from Governments in respect of local office costs.	projects; (b) Support cost reimbursed from procurement assistance in respect of Government projects; and (c) Support cost for projects under trust fund arrangements.	to recovery for the Supply Division. The recovery is a surcharge to cover the operating costs of the warehouse. This recovery charge is made to UNICEF projects financed from general resources and supplementary funds ("Other resources").	own programmes. UNFPA also includes "other support/reimbursement resources". UNICEF also includes income related to Supplementary Funds ("Other resources") recovery only, not recovery of support costs in respect of funds-in-trust arrangements ("Other resources") or reimbursements received in respect of procurement services rendered. In the case of UNDP, "other support/reimbursement resources" are identified and presented separately in its biennial budget estimates. (see item 7 above). Results of harmonization See item 7 above.

Annex VII

BACKGROUND

1. The efforts on harmonization began following decisions 94/30 of the UNDP/UNFPA Executive Board and 1994/R.3/6 of the UNICEF Executive Board, in which the Boards requested the Administrator of UNDP, the Executive Director of UNFPA and the Executive Director of UNICEF "to cooperate with other United Nations programmes and funds to work towards harmonizing their presentation of budgets and accounts with a view to achieving common definitions, particularly of administrative costs, and obtaining a higher degree of financial transparency and comparability."

2. The organizations presented initial progress reports during 1995, contained in documents DP/1995/29 and E/ICEF/1995/AB/L.15, presented at the annual session of the UNDP/UNFPA Executive Board and at the third regular session of the UNICEF Executive Board, respectively.

3. At their 1995 third regular sessions, the Executive Boards of UNDP/UNFPA and UNICEF adopted decisions 95/30 and 1995/37, respectively, on budget harmonization. The primary operative paragraphs were similar and requested the heads of the three organizations to accelerate their efforts towards the harmonization of budget presentations and to provide the following information:

(a) At the 1996 second regular sessions, to present an oral progress report, including an identification of common features in the budgets of the three organizations and an explanation of the areas that were not common;

(b) At the 1996 annual sessions, to present an oral progress report on steps needed for further harmonization. These steps, together with an account of the debate during the sessions of the Boards, would then be reported to the Economic and Social Council at its substantive session of 1996; and

(c) At the 1996 third regular sessions, to submit initial proposals for action by the Executive Boards, through the Advisory Committee on Administrative and Budgetary Questions (ACABQ).

4. In their progress report to the Executive Boards at their 1996 second regular sessions, the organizations explained that work based on the current budgetary approach of each organization could not commence before mid-February 1996, when UNICEF had finalized its proposed Headquarters and Regional Offices Budget for 1996-1997. While much work had been done during 1995, this was superseded when UNICEF adopted an integrated budget approach, as requested by its Executive Board. The organizations had completed, as requested, the comparison of the 1996-1997 budgets, which identified common features and provided an explanation of the differences. The Harmonization Working Group, established by the three organizations, made available to members of both Boards in copies of an internal working paper, both in table format and as a summary, (see V and VI of the present document).

5. During the debate on this item at the second regular sessions of the Executive Boards, one delegation presented a comprehensive statement, endorsed by other delegations, which set forth the basic purpose of harmonization and clearly identified the principles which the efforts to harmonize the budgets must include. It stated, inter alia, that harmonization meant making the budgets more similar in order to promote understanding and support good decision-making and that this similarity should go beyond content and presentation styles to encompass the underlying principles employed in the preparation of accounts and estimates. It further stated that harmonization would mean more similarity; it would not mean sameness.

6. On the question of timing and nature of future reports on budget harmonization, the Executive Board of UNICEF adopted decision 1996/16 at its 1996 second regular session. Taking into account the time constraints involved in the submission of initial proposals through ACABQ, the UNICEF Executive Board requested the Executive Director to submit these initial proposals at the first regular session in January 1997, and to present an oral progress report, with working papers, at the third regular session in September 1996. It was further stipulated in the decision that this progress report should include a comparison of budget presentations and of definitions of terms, as well as steps needed for further harmonization. The request to present an oral progress report to the Economic and Social Council remained unchanged.

7. The decision of the UNICEF Executive Board, summarized in paragraph 6 above, was endorsed by the UNDP/UNFPA Executive Board at its 1996 annual session. In their progress report, submitted to the Executive Boards at their 1996 annual sessions and in the progress report submitted to the Economic and Social Council, the organizations identified five areas of harmonization that they were addressing at that time. The organizations were able to report to the UNICEF Executive Board and to the Economic and Social Council their agreement to a common format for a resource plan and related definitions, considered by them to be the backbone of the harmonization effort.

8. Further progress on harmonization was reported on at the 1996 third regular sessions of the Executive Boards. As requested by the Boards, internal working papers of the Harmonization Working Group, reflecting provisionally agreed-upon formats and content, were again made available. These were:

(a) The detailed comparison of the 1996-1997 budgets of the organizations;
(b) A summary of (a) above;
(c) The proposed format for the resource plan, including identification of the specific resources to be included under each component;
(d) The proposed expenditure categories, including a description of the items of expenditure to be included under each category;
(e) The proposed draft appropriations decision and the proposed formats for tables in support of the appropriation request; and
(f) Definitions of terms agreed upon up to that time.

9. In addition to the progress reports presented to the Executive Boards and to the Economic and Social Council, two informal briefing sessions were held for members of the Boards, one in June 1996 and one in September 1996. The organizations appreciated the continuing dialogue and the guidance provided throughout the harmonization effort by members of the Board during Board sessions as well as the informal briefing sessions.